

Case Name: Celsius Network LLC, et al.

Case No: 22-10964

Case Location: Southern District of New York

Attention: Honorable Judge Martin Glenn

Dear Honorable Judge Martin Glenn...

I'm writing in regards to the Chapter 11 bankruptcy case involving Celsius Network LLC, et al. on behalf of myself and other Celsius Network customers who made use of their "Borrow" services.

CONTEXT

Celsius Network LLC offered their Borrow service as a way for customers to borrow stablecoins (USDC, USDT, etc) using cryptocurrency (BTC, ETH, etc) as collateral. I engaged with their Borrow service on three separate occasions putting up significant collateral (BTC) to borrow in total \$150,000USD worth of stablecoins (USDC, USDT).

SITUATION

During the course of Celsius Network LLC pausing all services and disallowing deposits and withdrawals by customers, I emailed the Celsius Network LLC loan department (loans@celsius.network) on June 13, 2022 10:20am CDT with the following questions regarding my loan #39815:

- 1. Is the collateral for this loan (as well as my other loans #72308 and #118874) safe and liquid?*
- 2. If I were to repay the entirety of this loan (as well as the other loans) could I immediately withdraw the BTC collateral in its entirety? If not immediately, when?*
- 3. How solvent is your company? There is news and rumors that insolvency is a possibility now or in the near future.*

I received no reply.

Furthermore, on June 14, 2022 the price of BTC decreased to a value which initiated a margin call for my loan #39815. I responded to several of the automated margin call emails sent to me by Celsius Network LLC again asking the above questions. I received no replies.

Eventually, on June 15, 2022, agent Ceejay Xiong responded to one of my inquiries offering me the option to deposit additional collateral to close the open loans. I immediately responded to Ceejay again asking the same questions above. Ceejay replied informing me they didn't have the answers to my questions and could not provide any of the materials I requested. Additionally, Ceejay informed me I wouldn't be able to immediately withdraw any of the returned collateral should I opt to close the loans, nor could they guarantee I would be able to do so in the future.

My preferable choice was to close all open loans by repaying the borrowed funds and in return receiving the entirety of my collateral. However, since I was given no confirmation that Celsius Network LLC was solvent and no proof or guarantee that my collateral was safe and currently held by Celsius Network LLC, I decided not to add any additional collateral to reduce the margin level and keep the loan safe from liquidation.

Unfortunately, on June 18, 2022 at 9:06pm CDT, the price of BTC fell to a level which caused the liquidation of my loan #39815.

Despite my ability and readiness to repay the borrowed funds in full and close all outstanding loans, Celsius Network LLC could / would not guarantee the safe return of my collateral and the solvency of their company.

REQUEST

My request is that myself and all other Celsius Network users adversely affected by the Celsius Network "Borrow" service be given the opportunity to appropriately and fairly repay borrowed funds to close outstanding loans which have been wrongly liquidated in return for 100% of the supplied collateral. It is wrong and unjust that loans be liquidated in this way. Especially for users like me who proactively contacted the company to ensure collateral funds were safe and Celsius Network LLC remained solvent and who were ready to take action ensuring the safety and liquidity of their loans.

NOTES

I stand ready to supply the courts upon request with copies of all emails backing my story and claims.

Sincerely,

Matthew M.